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Message Text

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44
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 SIL-01 EURE-00 /032 W
---------- 019343
P R 081432Z JAN 76
FM AMEMBASSY OSLO
TO SECSTATE WASHDC PRIORITY 945
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY THE HAGUE
AMEMBASSY HELSINKI
AMEMBASSY LONDON
AMEMBASSY OTTAWA
AMEMBASSY PARIS
AMEMBASSY STOCKHOLM
AMEMBASSY VIENNA
USMISSION OECD PARIS

UNCLAS OSLO 0100

FOR LABOR

E.O. 11652: N/A
TAGS: ELAB, NO
SUBJ: REQUEST FOR INFORMATION ON THE CONSTRUCTION INDUSTRY

REF: OSLO 0052

1. TWO COPIES OF EMPLOYMENT CHAPTER OF NEARLY-COMPLETED ANNUAL LABOR REPORT SENT BY INTERNATIONAL MAIL TO SECRETARY OF LABOR JAN 7, AS PER REFTEL AND PREVIOUS, ALONG WITH TWO COPIES EACH OF TWO ADDITIONAL DOCUMENTS SUPPLIED BY MUNICIPAL AND LABOR MINISTRY DIRECTOR GENERAL (FOR LABOR DIVISION) HANS ARISHOLM. THESE TWO DOCUMENTS ARE (1) RESUME OF NORWEGIAN GOVERNMENT MEASURES AGAINST UNEMPLOYMENT AS OF JAN 7, 1976, PREPARED FOR A REPORT TO OECD, AND (2) COPY OF FEBRUARY
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1974 LABOR MINISTRY LETTER RESPONDING TO A CANADIAN

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EMBASSY REQUEST FOR INFORMATION ABOUT NORWEGIAN
EMPLOYMENT CREATION PROGRAMS.

2. ARISHOLM CONFIRMED THAT STATISTICAL ANALYSES OR
REPORTS ON PRODUCTIVITY IN CONSTRUCTION INDUSTRY
DO NOT EXIST. HE ALSO SAID THERE IS NO COST ANALYSIS
COMPARING SEASONAL AND CYNCLICAL PUBLIC CONSTRUCTION
AND OTHER ANTI-UNEMPLOYMENT MEASURES
TO UNEMPLOYMENT AND WELFARE PROGRAMS. HE COMMENTED
THAT SPECIAL WINTER CONSTRUCTION PROJECTS ARE A MUCH
MORE EXPENSIVE METHOD OF CREATING OR SUBSTITUTING
FOR EMPLOYMENT THAN TRAINING PROGRAMS OR UNEMPLOYMENT
COMPENSATION, WHICH COST APPROXIMATELY THE SAME. FOR
THIS REASON, NORWAY HAS SHIFTED AWAY FROM SPECIAL WINTER
CONSTRUCTION AND MORE TOWARDS TRAINING, ESPECIALLY
PARTIAL SUBSIDIES FOR ON-THE-JOB TRAINING, TO PREVENT
LAYOFFS AND EMPLOY THE UNEMPLOYED. WHEN A FIRM MUST
DROP ONE LINE OF PRODUCTION AND SHIFT TO ANOTHER,
MINISTRY PAYS HALF OF WAGES DURING TRAINING. MINISTRY
PAYS SOMEWHAT LESS (GENERALLY 45PER CENT OF WAGES) WHEN
FIRM PROVIDED TRAINING INSTEAD OF LAY OFFS WITHOUT
SHIFTING PRODUCTION.

3. ARISHOLM SAID HIS COMMENTS ABOUT HIGH COST AND
DECREASING USE OF SPECIAL WINTER ROAND AND OTHER CON-
STRUCTION DID NOT APPLY TO WINTER SCHEDULING OF CON-
STRUCTION TO BE PERFORMED ANYWAY. HE STRESSED THAT
MECHANISMS FOR SCHEDULING PUBLIC WORKS AND CONSTRUCTION
YEAR ROUND AND FOR INCREASING TEMPO TO COMPENSATE FOR
SEASONAL, REGIONAL OR CYCLICAL FACTORS ARE VITAL PART
OF EMPLOYMENT MEASURES. HE ESTIMATED THAT SCHEDULING
CONSTRUCTION PROJECTS FOR EMPLOYMENT EFFECT, AS OPPOSED
TO CREATING SPECIAL CONSTRUCTION PROJECTS, WAS ACTUALLY
SOMEWHAT LESS COSTLY THAN EITHER TRAINING PROGRAMS
OR UNEMPLOYMENT CONPENSATION. (IN SPECIAL CONSTRUCTION
PROJECTS, HE ESTIMATED ONLY ABOUT 25 PERCENT OF FUNDS GO
FOR EMPLOYMENT, WHILE 75 PER CENT FOR FOR EQUIPMENT, PLANNING
AND OTHER COSTS.) IN ORDER TO GET THEIR BUDGETS APPROVED
BY FINANCE MINISTRY, OTHER MINISTRIES (COMMUNICATIONS--
WHICH INCLUDES HIGHWAYS, ENVIRONMENT, ETC.) MUST AGREE
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WITH LABOR MINISTRY ON SATISFACTORY YEAR-ROUND SCHEDULING.
THEY, SUB-ENTITIES AND OTHER GOVERNMENT ENTITIES WITH
CONSTRUCTION PROGRAMS (SUCH AS ELECTRIC UTILITY) REPORT
ON AND DISCUSS SUCCESS OF SCHEDULING WITH MINISTRY
PERIODICALLY. MUNICIPALITIES MUST HET APPROVAL FOR THEIR
SCHEDULIN OF WORK AS PART OF BUDGETARY PROCESS WITHIN
MINISTRY. OFF-SEASON CONSTRUCTION IS SUBSIDIZED
IN POORER MUNICIPALITIES. APPROVAL OF PROJECTS

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BOTH NATIONAL AND MUNICIPAL, IS SPEEDED UPP WHEN
BUSINESS CYCLE SLOWS DOWN. BUILDING LICENSES,
NORMALLY TIGHTLY LIMITED, ESPECIALLY IN MORE POPULOUS
AND DEVELOPED AREAS, ARE LOOSENED UP WHEN AND WHERE
MORE EMPLOYEMTN IS DESIRED, AND CREDIT CONTROLS ARE
ALSO LOOSENED COUNTER-CYCLICALLY.

4. ARISHOLM CONRIRMED THAT NORWAY'S UNEMPLOYEMNT
RPOBLEM IS NOT IN CONSTRUCTION. EXPORT INDUSTRIES ARE
HARDEST HIT. LIQUIDITY LOANS AND LOANS FOR PRODUCTION
FOR INVENTORY HAVE BEEN IMPORTANT, THE LATTER ESPECIALLY
FOR LARGER EXPORT MANUFACTURERS, BUT THEIR STOCKS ARE
NOW VERY HIGH. POTENTIAL FOREIGN PURCHASERS' STOCKS
ARE VEY LOW, HOWEVER, SO THAT NORWEGIAN STOCKS
SHOULD BE REDUCED FAILRLY RAPIDLY ONE WORLD RECOVERY
SETS IN. NORWEGIAN OPTIMISM FOR WORLD RECOVERY IN
MID-1976. IS NOW CONSIDERABLY DAMPENED, HE SAID. HE
IMPLIED THAT NORWAY WOULD BE ABLE TO CONTINUE WITH
AT LEAST ANOTHER YEAR OF FINANCING EXTRAORDINARY
EMPLOYMENT-MAINTENANCE AND CREATION PROGRAMS, INCLUDING
LIQUIDITY LOANS AND PRODUCTION FOR INVENTORY, IF
RECOVERY IS DELAYED.
BYRNE

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